

Bolton Town Deal

Stage 2 – Business Case Development

Bolton Town Board Meeting

Savills Economics
15 April 2021

About Us

- Commissioned by Bolton to coordinate and draft the Town Deal Business Cases for each project
- Coordinator role, on the basis that a lot of the technical work has already been done, or will be done by established teams
- National economics team specializing in supporting places develop robust business cases for funding bids
- Developed successful £13 million Future High Streets Fund for Farnworth
- Supporting Bolton in developing up ambitious Levelling Up funding bids for other Town Centre schemes
- Lead on business cases for FHSF, Town Investment Plans, Brownfield Housing Funding, Housing Infrastructure Funding etc
- Part of MHCLG's Town Deal Delivery Partner consortium, working closely with Arup



Our Approach

Stage 1: Inception

- Inception meeting
- Document review
- Site Visit
- Stakeholder Consultations (MHCLG and Consultants)
- Council / Town Board Presentation #1

Stage 2: Business Case Development

- Business Case Development
 - Strategic Case
 - Economic Case
 - Financial Case
 - Commercial Case
 - Management Case
- Ongoing Monitoring and Review of Progress
- Council / Town Board Presentation #2

Stage 3: Review and Finalise Business Cases and Summary Document

- Submission of draft Business Cases
- Respond to feedback
- Finalise Business Cases and Summary Document
- Council / Town Board Presentation #3

Immediate Priorities

By May MHCLG require confirmation of:

- Towns Fund ask
- Available match funding
- Annual funding profile
- Project outputs
- Expected outcomes
- Whether the project is being fast tracked

The main tasks that need to be completed to provide this information are:

- Revisiting project cost information
- Reprofiling funding given £22.9m Towns Fund offer (£2.1m gap)
- Adjusting project scopes
- Finalising project outputs

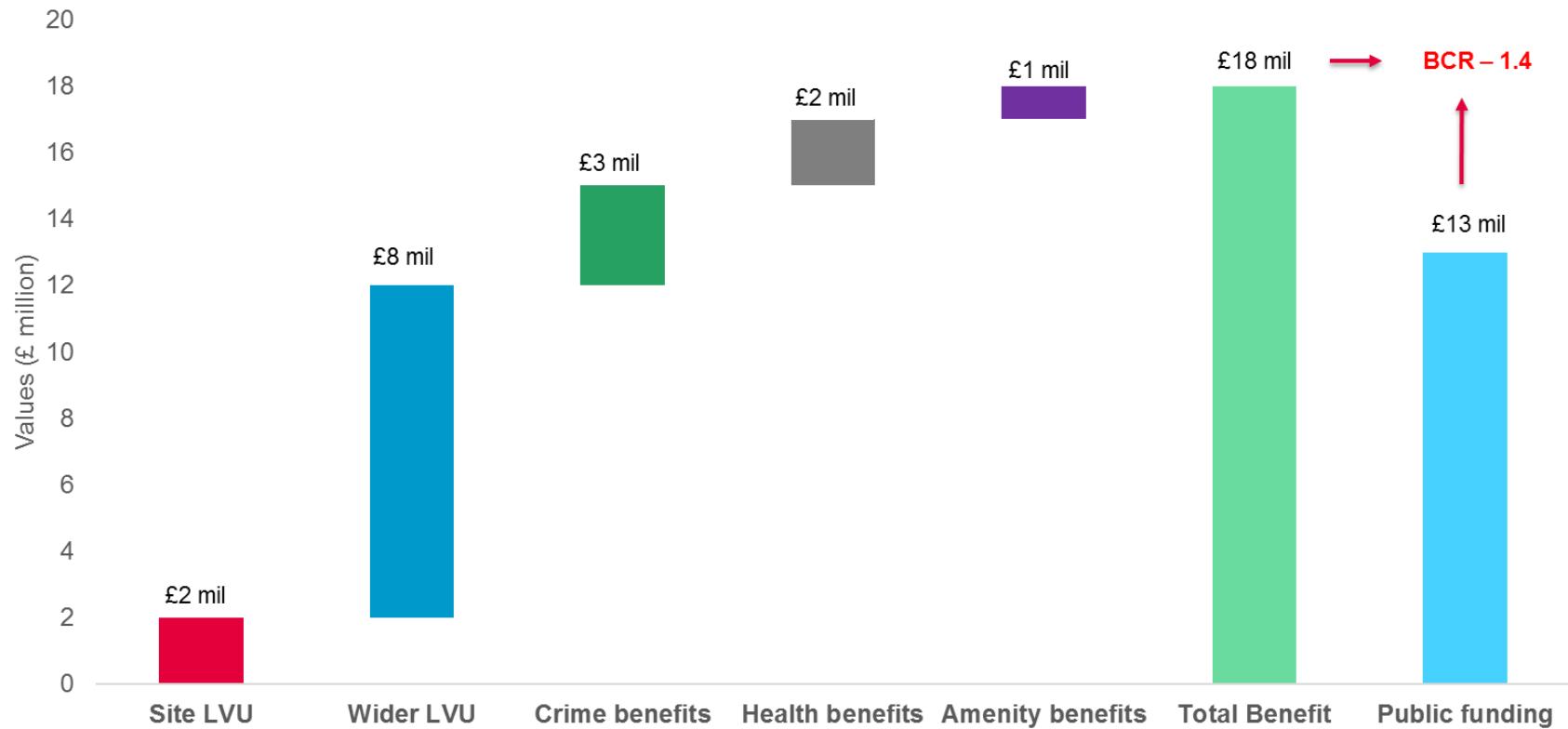
Project confirmation table						
Project name						
Date:						
Towns Fund ask (£ million)						
Match funding total and breakdown						
Expected outputs and outcomes						
Plan for addressing key conditions						
Fast-tracked project (Yes or No)						
Capital/revenue split						
Nominal Financial profile (£ million)						
2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	
Signature of Town Deal Board Chair and accountable body's Chief Executive Officer or S151 Officer						

Business Case Development

Strategic Case	Economic Case	Financial Case	Commercial Case	Management Case
<ul style="list-style-type: none">• What is the case for change?• What is the rationale for intervention?• What is the current situation?• What is to be done?• What outcomes are expected?• How do these fit with wider government policies and objectives?	<ul style="list-style-type: none">• What is the net value to society of the intervention compared to continuing with the BAU?• What are the risks and their costs and how can they be managed?• Which option reflects the optimal net value to society?	<ul style="list-style-type: none">• What are the capital and revenue implications of the preferred option?• What is the overall affordability and funding arrangements for the preferred option and are there any contingency arrangements for overspends?	<ul style="list-style-type: none">• Can a realistic and credible commercial deal be struck?• What is the risk allocation between the public sector and preferred service provider?• What type of contract will be used and are there any contractual issues?	<ul style="list-style-type: none">• How the project will be managed?• How change within the organisation will be implemented?• How the benefits will be realised?• How the business and service risks will be mitigated and managed?• How major contract change will be handled over the longer term?• How the project will be reviewed periodically?• What are the contingency plans in the event of service failure?

Example of Benefits Analysis

BCR Analysis



Deliverables

- A draft BC for each of the schemes (up to 4)
- 3 x presentations and meetings with the Town Board
- Support in discussions and engagement with MHCLG and other stakeholders
- Regular updates on progress via a project tracking report
- A final BC for each scheme aligned with the relevant requirements and guidelines
- A review and finalisation process to consider a consolidated set of comments
- A Summary Document for the overall TIP schemes
- Support with the submission of final BC's

Timescales

- TBC
- See Arups presentation on setting a programme.